

# The BEST NEWS

Baccalaureate Education System Trust \* State of Tennessee Treasury Department \* Fall 2002 \* Volume 6, No. 1



**Steve Adams**  
State Treasurer

Dear Friends,

As a participant in our program, you are giving a gift of a lifetime to a child! A college education, an investment for a lifetime, provides a powerful opportunity for a child to experience a wealth of possibilities during their life. As important, a college education will tremendously increase their future earnings power. The 2001 College Board reports that bachelor's degree recipients earn 80 percent more on average than those with only a high school diploma. Over a lifetime, the gap in earning potential between the high school diploma and B.A. or higher exceeds 1,000,000. While

financing the cost of a college education may be a challenge, the cost associated with not going to college is likely to be a much greater challenge.

As our program matures, the number of BEST school payments continues to increase. This is an exciting phenomenon and we are anxious to share some program information in this issue of BEST News with you. One of our greatest challenges with the payout process is timely receipt of the tuition use forms. This issue includes vital information on this essential process.

In our program, the primary goal remains to provide an outstanding and flexible vehicle to help you save for the expenses of funding higher education. Our next priority is to provide superior service to you and your beneficiary when the time for usage presents itself. Let us know how we can serve you better!

Sincerely,

Steve Adams, Chairman  
BEST Board of Trustees

## 2002-2003 Tuition Units Guide

This guide provides an example of the number of units it might take to cover tuition, mandatory fees, and room and board at various colleges based on Fall 2002 tuition rates.

### 2002- 2003 Guide to Using Tuition Units

University	Units Needed For 1 Year		
	Tuition & Fees	Room & Board	Total
<b>Tennessee public four-year universities</b>			
Average of TN 4-year universities	100	124	224
Austin Peay	96	107	203
East Tennessee	92	110	202
Middle Tennessee	95	118	213
Tennessee State	90	112	202
Tennessee Tech	91	134	225
Univ. of Memphis	103	147	250
UT-Chattanooga	99	141	240
UT-Knoxville	113	138	251
UT-Martin	98	111	209
<b>Tennessee community and technical colleges</b>			
Avg. of TN community and tech. colleges	49	n/a	49
TN Technology Centers	37	n/a	37
<b>Tennessee private universities *</b>			
Belmont University	402	163	565
Carson-Newman	359	121	480
Christian Brothers	452	136	588
David Lipscomb	316	156	472
Fisk University	289	149	438
Lambuth University	292	137	429
Lee University	228	125	353
LeMoyne-Owen	235	128	363
University of the South	628	175	803
Vanderbilt University	753	252	1,005

\*Unit estimates for private universities based on figures from [tennesseecolleges.org](http://tennesseecolleges.org) (2002 issue)

The table above shows approximately the number of tuition units needed to pay for college costs if your child attended college this school year (2002-2003). The standard double occupancy dorm room and meal plan rates apply. This table should only be used as a guide. Check with your college or university for actual tuition, fees, room and board rates. Tuition units may be used at any accredited college or university in the United States. The schools listed above are only a sample.

## Using Your Units To Pay For Tuition

Planning to attend college or technical school this academic year? In order to use your BEST units to pay for tuition at an institution of higher learning, you must first fill out a Tuition Use Form.

Tuition Use Forms are mailed to eligible beneficiaries before each year's Fall and Spring semesters. An eligible beneficiary is one who is 17 years of age and has mature units in his/her BEST account.

Tuition Use Forms **must** be completed and returned to BEST by **December 15<sup>th</sup>** or **30 days before the university bill due date** for the Spring semester; **30 days before the bill due date** for the appropriate Summer semester; and by **July 15<sup>th</sup>** or **30 days before the bill due date** for the Fall semester.

If your beneficiary's Tuition Use Form is received after the due date, a \$25.00 late fee may be assessed against your account. Please be sure to return Tuition Use Forms by the dates listed above to ensure that your beneficiary's payment is processed and issued before the school's payment date.

If for some reason your beneficiary does not receive a Tuition Use Form in the mail two months prior to the due date, or if you would like the form to also be sent to you, please contact BEST immediately at 1-888-486-BEST or 532-8056 in the Nashville area. We welcome any questions you have on this process.

## New Unit Price

The unit price increased August 1, 2002 to \$37.00 per unit and will increase again on January 1, 2003 to \$38.40 per unit. If you currently purchase units each month through ACH or payroll deduction, remember to adjust your amounts to reflect the new price. All changes must be made in writing. You may mail changes to: BEST, P.O. Box 198786, Nashville, TN 37219-8786.

## Account Information

BEST participants can easily access account information 24-hours a day.

Simply dial 1-888-486-BEST, choose Option 3, Press 1 at the prompt and then choose Option 3. You will be asked to provide both your Contract ID number and the last four digits of the beneficiary's social security number in order to check your account balance.

Customer Service Corner

Below are some of the most frequently asked questions received by your BEST Customer Service Representatives at **1-888-486-BEST** or **532-8056** in the Nashville area.

- Q** I just moved to a new city. How do I notify BEST so that my address can be changed in the system?
- A** The Purchaser of the contract must send a written, **signed** request to BEST of any address changes for the Purchaser, Purchaser Appointee, Beneficiary, or Beneficiary Appointee that should be made to the contract. Address requests may be mailed to BEST at P.O. Box 198786, Nashville, TN 37219-8786 or faxed to (615) 734-6467.
- Q** When can I expect to receive a BEST statement?
- A** Annual statements are mailed out each Fall along with a copy of *The BEST News*. Of course, you may contact our office any weekday between the hours of 7:30 a.m. – 4:30 p.m. to inquire about the transactions or request a statement of your BEST account.
- Q** If my child turns 18 and decides not to attend college, will I be taxed on the money in my BEST account if I decide to withdraw it?
- A** Yes. The Refund Recipient listed on your BEST contract will receive a 1099 form from BEST listing the interest portion of the refund. This interest must then be added to your taxable income when figuring your income taxes for that year. Your BEST earnings will also be subject to an additional 10% tax that must be paid separately to the IRS.
- Q** How can I use my BEST units to pay for books and room and board?
- A** Simply mail BEST a signed request detailing the nature of the qualified educational withdrawal, copies of all receipts (if applicable), and the amount of money needed. Please designate the refund recipient in your request. Be sure to retain a copy of all receipts for your records.

ACH Changes

All changes to your BEST Automatic Bank Withdrawal (ACH) must be made in writing.

If you wish to change the allocation of funds **only**, please send BEST a signed note detailing the change. If you wish to change the bank account from which your funds are drawn, you must mail BEST a voided check or deposit slip from the new account.

If you wish to set up an ACH for the first time, please contact BEST at 1-888-486-BEST to obtain an ACH Form. Once the ACH Form is completed, please return it to BEST, along with a voided check or deposit slip.

Changes must be mailed to: Tennessee’s BEST Program, P.O. Box 198786, Nashville, TN 37219-8786.

Please allow BEST 10 days to process changes and terminations to existing ACHs. New ACH withdrawals will take one month to enact.

Office Hours

BEST Customer Service Representatives are available to assist you every weekday between the hours of 7:30 a.m. – 4:30 p.m.

You may contact BEST at 615-532-8056 or call us toll free by dialing 1-888-486-BEST and choosing option 3.

If all Customer Service Representatives are busy, you will be forwarded to BEST’s voice mail system. Please leave a detailed message including your name, contract ID and telephone number. A Customer Service Representative will call you back as soon as possible.

Program Statistics

- ✓ 7,566 contracts have been established
- ✓ \$38.3 million in assets (market value)
- ✓ 1,313,850 units have been sold

Open a New BEST Contract

When opening a new BEST contract for an addition to your family, be sure to fill out every blank on the BEST Prepaid Tuition Contract.

When information is missing from your BEST contract, it will be labeled “inactive.” A Confirmation Form will then be issued to the purchaser for the inactive contract. This form will ask you to confirm the information you have already entered and to fill in the missing information and return it to BEST as soon as possible.

If a purchaser fails to provide all the information required within six months of BEST’s receipt of a contract, we will reject the proposed contract and refund all monies paid into the contract.

All Confirmation Forms may be faxed to BEST at 615-734-6467 or mailed to: Tennessee’s BEST Program, P.O. Box 198786, Nashville, TN 37219-8786

Where Tuition Units Are Used

Since the first school payout in Fall 1999, BEST has issued a total of 726 payments to colleges and universities. After four years, many BEST participants have asked which universities are the most popular with the beneficiaries in our program.

Of the total 726 payments issued, 554 were made to in-state schools and 172 were made to out-of-state schools. Of the in-state payments, 69 were to private universities, while 485 were paid to Tennessee public universities. Of the out-of-state payments, 88 were made to private universities while 92 were paid out to public universities.

Following is a list of the most popular universities among BEST beneficiaries and their payout percentage within each category.

<u>Tennessee Public Universities</u>	
University of Tennessee – Knoxville	36%
Middle Tennessee State University	12%
University of Memphis	11%
<u>Tennessee Private Universities</u>	
University of the South – Sewanee	17%
Lipscomb University	12%
Belmont University	10%
<u>Out-of-State Public Universities</u>	
University of Mississippi	21%
Western Kentucky University	14%
Mississippi State University	11%
<u>Out-of-State Private Universities</u>	
Samford University	7%
Morehouse, Fordham, Xavier & Southern Methodist universities	6%

Check out our website!

[www.treasury.state.tn.us/best](http://www.treasury.state.tn.us/best)

The BEST News is published semiannually to keep participants of the Baccalaureate Education System Trust informed of program enhancements and other program activities. Please send your comments and/or suggestions regarding article topics for future issues to: Natalie Kilgore, Editor, Baccalaureate Education System Trust, P.O. Box 198786, Nashville, TN 37219-8786.

The information in this newsletter is subject to legislative change and judicial interpretation. It does not supersede nor restrict procedures or authority established under state or federal law. Statutory authority for BEST is contained in T.C.A., Title 49, Chapter 7, Part 8.

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